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ABSTRACT

This article outlines the provisions and summarizes the arguments for and against "The Cardenas Textbook Act of 2000" (Proposition 20). This Proposition amends California's Code to give half of any increase in public education's share of lottery proceeds to school districts and community colleges. Since its approval in 1984, California's state lottery has allocated at least 34 percent of its annual receipts to public education. However, none of the money may be used for school facilities, research, or any other noninstructional purpose. The impact of Proposition 20 will depend on how much lottery funds will increase. Because the increase in funds for K-14 education is relatively small, the primary issue voters must decide is whether they want monies earmarked for instructional materials. The current state budget already includes support for instructional materials but proponents for the proposition argue that the state has a textbook shortage, ranking 47th nationally in textbook spending per pupil. Opponents of the measure point out that more and more money is being earmarked for specific purposes, and many school districts prefer to fit their expenditures to local circumstances and needs. Future allocations under Proposition 20 would depend on increased (or decreased) total lottery proceeds and the annual growth of the student population. (RJM)



Clarifying
Complex
Education
Issues

To help voters understand "The Cardenas Textbook Act of 2000," EdSource—a non-profit, nonpartisan, education resource organization—developed this impartial analysis that briefly outlines the measure's provisions and summarizes the major arguments pro and con.

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Election Brief: Proposition 20

Earmarking Lottery Funds for Instructional Materials

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The legislative trend toward earmarking school districts' funds for specific purposes is continued in Proposition 20, "The Cardenas Textbook Act of 2000."

Proposition 20 amends Section 8880 of the California Government Code to give half of any increase in "public education's share" of lottery proceeds to school districts and community colleges, based on the 1998-99 school year. This portion of the lottery payments could be used only for instructional materials.

Assemblyman Tony Cardenas introduced Assembly Bill 1453 in February 1997 to place the proposition on the ballot. The Senate made various amendments, which the Assembly approved more than a year later; and then-Governor Pete Wilson signed the bill in September 1998. The last paragraph required that the measure be submitted to voters a minimum of 131 days after adoption, i.e., the March 2000 election.

The lottery allocates at least 34% of its sales to public education

Since it was approved by voters in 1984, the California State Lottery has allocated at least 34% of its annual receipts to public education. Recipients include kindergarten through 12th grade (K-12) public schools, community colleges, the California State University, the University of California, Hastings College of Law, and several state-run education programs. (See Figure 1.) The money may not be used for school facilities, research, and "any other non-instructional purpose." After the lottery was approved, the California Department of Education advised school districts to use the new revenue for one-time rather than ongoing expenses because of uncertainty about future lottery proceeds.

Proposition 20's impact will depend on how much lottery funds increase

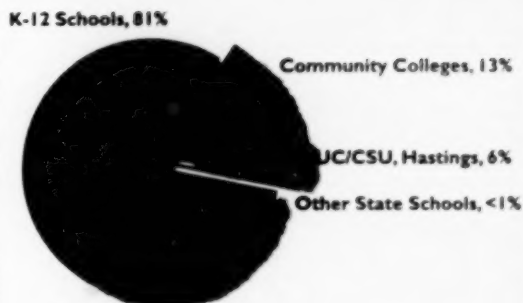
Education's share of lottery funds grew about \$64.6 million from 1997-98 to 1998-99, according to the Lottery Commission. (See Figure 2.) If Proposition 20 passes, about \$32 million, almost \$4 per pupil, would be paid to K-12 schools and community colleges to be used only for instructional materials. A portion of that \$32 million would have gone to colleges and universities.

Because the increase in funds for K-14 education is relatively small, the primary issue voters must decide is whether they want monies earmarked for instructional materials.

State budget currently includes support for instructional materials

The state education budget always includes some support for instructional materials. In 1999-2000 the amount was \$591 million (about \$100 per student). The money is used for textbooks, reading materials, and computer software for both classrooms and school libraries. Many districts purchase additional materials using their general purpose funds.

Figure 1
Distribution of Lottery Proceeds

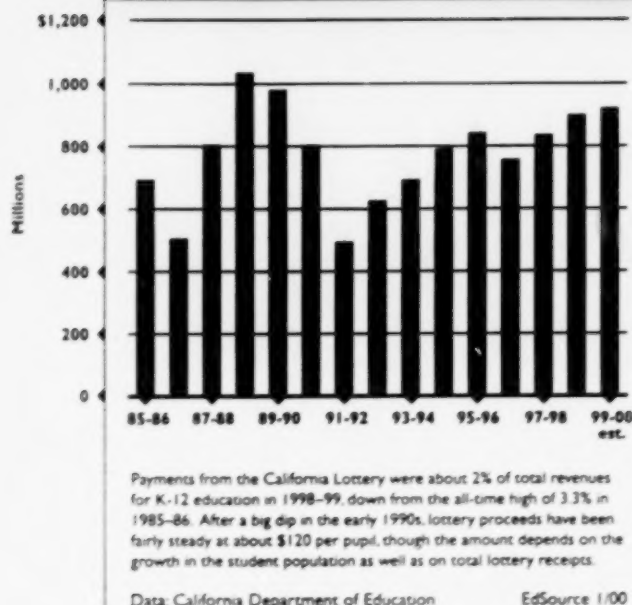


The law approved by California voters in 1984 specifies that a minimum of 34% of total lottery receipts must be given to public education, kindergarten through university. In some years education has received more, primarily from undistributed prizes.

Data: California Lottery Commission

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Figure 2
Changes in Lottery Proceeds to K-12
Education from 1985-86 to 1999-2000



In addition to funds now set aside for instructional materials, general purpose revenues averaged about \$3,900 per pupil for elementary districts, \$4,050 per pupil for unified districts, and \$4,700 per pupil for high school districts in 1998-99. This money pays for teachers, textbooks, supplies, and other operating costs. Funds appropriated specifically for instructional materials are intended to supplement general revenues, not substitute for them.

Beginning in 1998-99, the Legislature allocated an extra \$250 million per year for four years to purchase new textbooks aligned with state standards. Some districts complained that they had already acquired new books with their general purpose funds. Restrictions on use of the new state textbook money meant they either had to throw away new books to qualify for the money or give it up even though they had other important needs in their district.

Arguments in favor of Proposition 20 focus on textbook shortage

The ballot argument in favor of Proposition 20 asserts that the state has a "textbook shortage." California ranked 47th

(year unspecified) nationally in textbook spending per pupil, they say, adding that more than half of surveyed teachers do not have enough books to send home with students. In some schools, proponents say, many students have to share one set of textbooks.

Proponents also refer to an unidentified poll in which, they say, 60% of respondents would rather see funds for textbooks than for class size reduction. They also point out that this earmarked funding source would provide textbooks without increasing taxes.

Opponents resist another attempt to earmark funds

Opponents of this measure point out that more and more money is being earmarked for specific purposes. Many school districts prefer to fit their expenditures to local circumstances and needs. The California Taxpayers' Association opposes Proposition 20 because earmarking funds "takes away local discretionary power." In late December the Association of California School Administrators also announced its opposition to the ballot measure.

In the past two years, opponents add, the Legislature has greatly increased its allocation for instructional materials and has approved a four-year, \$1 billion program for new textbooks linked to approved state standards.

Proposition 20 raises some questions

Future allocations under Proposition 20 would depend on increased (or decreased) total lottery proceeds and the actual growth of the student population. The proposition does not specify how the retroactive amounts for 1998-99 would be handled.

If the proposition were successful, the funds targeted for instructional materials would be in addition to the money the Legislature allocates for the same purpose. The governor and Legislature always include lottery money in the annual state budget as if it were part of the state's general support for school districts. If a portion of lottery proceeds must be used for instructional materials, would the Legislature redirect non-lottery funds that would have been targeted for textbooks? Would it choose to limit the types of instructional materials that districts could purchase using lottery funds?

The financial impact of Proposition 20 would be a small but restricted increase in lottery funds for K-12 schools and community colleges, and a minor loss of money for colleges and universities. **VE**



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